

1-1 By: Hilderbran (Senate Sponsor - Williams) H.B. No. 2148
 1-2 (In the Senate - Received from the House May 10, 2013;
 1-3 May 10, 2013, read first time and referred to Committee on Finance;
 1-4 May 17, 2013, reported favorably by the following vote: Yeas 14,
 1-5 Nays 0; May 17, 2013, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19			X	
1-20	X			
1-21	X			
1-22	X			

1-23 A BILL TO BE ENTITLED
 1-24 AN ACT

1-25 relating to the motor fuel tax on compressed natural gas and
 1-26 liquefied natural gas; providing penalties; imposing a tax.
 1-27 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-28 SECTION 1. The legislature finds that:
 1-29 (1) this Act does not impose a new tax;
 1-30 (2) compressed natural gas and liquefied natural gas
 1-31 are currently taxed and this Act leaves the tax rate effectively
 1-32 unchanged;
 1-33 (3) this Act provides a new collection mechanism for
 1-34 an existing tax; and
 1-35 (4) this Act provides a more efficient method of tax
 1-36 administration for taxpayers and for this state.
 1-37 SECTION 2. Section 162.001, Tax Code, is amended by
 1-38 amending Subdivisions (4), (16), (19), (29), (38), (39), (42), and
 1-39 (43) and adding Subdivisions (19-a), (24-a), (29-a), and (40-a) to
 1-40 read as follows:
 1-41 (4) "Aviation fuel dealer" means a person who:
 1-42 (A) is the operator of an aircraft servicing
 1-43 facility;
 1-44 (B) delivers gasoline, ~~or~~ diesel fuel,
 1-45 compressed natural gas, or liquefied natural gas exclusively into
 1-46 the fuel supply tanks of aircraft or into equipment used solely for
 1-47 servicing aircraft and used exclusively off-highway; and
 1-48 (C) does not use, sell, or distribute gasoline,
 1-49 ~~or~~ diesel fuel, compressed natural gas, or liquefied natural gas
 1-50 on which a fuel tax is required to be collected or paid to this
 1-51 state.
 1-52 (16) "Compressed natural gas" means natural gas that
 1-53 has been compressed ~~and dispensed into motor fuel storage~~
 1-54 ~~containers~~ and is advertised, offered for sale, sold, suitable for
 1-55 use, or used as an engine motor fuel.
 1-56 (19) "Diesel fuel" means kerosene or another liquid,
 1-57 or a combination of liquids blended together, offered for sale,
 1-58 sold, used, or capable of use as fuel for the propulsion of a
 1-59 diesel-powered engine. The term includes products commonly
 1-60 referred to as kerosene, light cycle oil, #1 diesel fuel, #2 diesel
 1-61 fuel, dyed or undyed diesel fuel, aviation jet fuel, renewable

2-1 diesel, biodiesel, distillate fuel, cutter stock, or heating oil,
 2-2 but does not include compressed natural gas, liquefied natural gas,
 2-3 gasoline, aviation gasoline, or liquefied gas.

2-4 (19-a) "Diesel gallon equivalent" means:

2-5 (A) 6.380 pounds of compressed natural gas; or

2-6 (B) 6.060 pounds of liquefied natural gas.

2-7 (24-a) "Fleet user" means a person who produces
 2-8 compressed natural gas or liquefied natural gas or maintains
 2-9 storage facilities for compressed natural gas or liquefied natural
 2-10 gas and who delivers all or part of the fuel produced or stored into
 2-11 the fuel supply tank of a motor vehicle.

2-12 (29) "Gasoline" means any liquid or combination of
 2-13 liquids blended together, offered for sale, sold, used, or capable
 2-14 of use as fuel for a gasoline-powered engine. The term includes
 2-15 gasohol, aviation gasoline, and blending agents, but does not
 2-16 include compressed natural gas, liquefied natural gas, racing
 2-17 gasoline, diesel fuel, aviation jet fuel, or liquefied gas.

2-18 (29-a) "Gasoline gallon equivalent" means:

2-19 (A) 5.660 pounds of compressed natural gas; or

2-20 (B) 5.370 pounds of liquefied natural gas.

2-21 (38) "License holder" means a person licensed by the
 2-22 comptroller under Section 162.105, 162.205, 162.304, 162.305, [~~or~~]
 2-23 162.306, 162.357, or 162.358.

2-24 (39) "Liquefied gas" means all combustible gases that
 2-25 exist in the gaseous state at 60 degrees Fahrenheit and at a
 2-26 pressure of 14.7 pounds per square inch absolute, but does not
 2-27 include compressed natural gas, liquefied natural gas, gasoline, or
 2-28 diesel fuel.

2-29 (40-a) "Liquefied natural gas" mean natural gas that
 2-30 has been cooled to a liquid state and is advertised, offered for
 2-31 sale, sold, suitable for use, or used as an engine motor fuel.

2-32 (42) "Motor fuel" means gasoline, diesel fuel,
 2-33 liquefied gas, gasoline blended fuel, compressed natural gas,
 2-34 liquefied natural gas, and other products that are offered for
 2-35 sale, sold, used, or capable of use as fuel for a gasoline-powered
 2-36 engine or a diesel-powered engine.

2-37 (43) "Motor fuel transporter" means a person who
 2-38 transports gasoline, diesel fuel, gasoline blended fuel, aviation
 2-39 fuel, or any other motor fuel, except liquefied gas, compressed
 2-40 natural gas, or liquefied natural gas, outside the bulk
 2-41 transfer/terminal system by means of a transport vehicle, a
 2-42 railroad tank car, or a marine vessel. The term does not include a
 2-43 person who:

2-44 (A) is licensed under this chapter as a supplier,
 2-45 permissive supplier, or distributor; and

2-46 (B) exclusively transports gasoline, diesel
 2-47 fuel, gasoline blended fuel, aviation fuel, or any other motor fuel
 2-48 to which the person retains ownership while the fuel is being
 2-49 transported by the person.

2-50 SECTION 3. Subchapter D, Chapter 162, Tax Code, is amended
 2-51 by adding Section 162.312 to read as follows:

2-52 Sec. 162.312. APPLICABILITY OF SUBCHAPTER TO CERTAIN PUBLIC
 2-53 TRANSPORTATION PROVIDERS USING COMPRESSED NATURAL GAS OR LIQUEFIED
 2-54 NATURAL GAS. (a) This section applies only to a person who:

2-55 (1) operates motor vehicles used to provide the
 2-56 services of a transit company, including a metropolitan rapid
 2-57 transit authority under Chapter 451, Transportation Code, or a
 2-58 regional transportation authority under Chapter 452,
 2-59 Transportation Code; and

2-60 (2) held a liquefied gas tax decal license on or before
 2-61 August 31, 2013.

2-62 (b) Notwithstanding Subchapter D-1, a person to which this
 2-63 section applies may:

2-64 (1) pay tax as provided by this subchapter on
 2-65 compressed natural gas or liquefied natural gas delivered into the
 2-66 fuel supply tank of all motor vehicles described by Subsection
 2-67 (a)(1) from a refueling facility accessible only to motor vehicles
 2-68 described by Subsection (a)(1); and

2-69 (2) operate those motor vehicles on the public

3-1 highways of this state using compressed natural gas or liquefied
 3-2 natural gas described by Subdivision (1).

3-3 (c) This section does not apply to compressed natural gas or
 3-4 liquefied natural gas delivered into the fuel supply tank of a motor
 3-5 vehicle from a refueling facility accessible to motor vehicles
 3-6 other than those described by Subsection (a)(1).

3-7 (d) In this subchapter, "liquefied gas" includes compressed
 3-8 natural gas and liquefied natural gas with respect to the persons to
 3-9 which this section applies.

3-10 (e) The comptroller shall adopt rules necessary to
 3-11 implement this section.

3-12 SECTION 4. Chapter 162, Tax Code, is amended by adding
 3-13 Subchapter D-1 to read as follows:

3-14 SUBCHAPTER D-1. COMPRESSED NATURAL GAS AND LIQUEFIED NATURAL GAS
 3-15 TAX

3-16 Sec. 162.351. TAX IMPOSED; SALE OF FUEL DELIVERED INTO FUEL
 3-17 SUPPLY TANK OF MOTOR VEHICLE. (a) A tax is imposed on the sale of
 3-18 compressed natural gas or liquefied natural gas that is delivered
 3-19 into the fuel supply tank of a motor vehicle in connection with a
 3-20 sale of the compressed natural gas or liquefied natural gas.

3-21 (b) The dealer is liable for the tax imposed under this
 3-22 section.

3-23 (c) The dealer shall add the amount of the tax to the selling
 3-24 price so that the tax is paid by the purchaser. When the amount of
 3-25 the tax is added:

3-26 (1) it becomes a part of the sales price;

3-27 (2) it is a debt of the purchaser to the dealer; and

3-28 (3) if unpaid, it is recoverable at law in the same
 3-29 manner as the original sales price.

3-30 (d) The dealer shall provide to the purchaser an invoice or
 3-31 receipt that states the rate and amount of tax added to the selling
 3-32 price or indicates that no tax was added to the selling price.

3-33 Sec. 162.352. TAX IMPOSED; DELIVERY OF FUEL INTO FUEL
 3-34 SUPPLY TANK OF MOTOR VEHICLE NOT IN CONNECTION WITH SALE. (a) A tax
 3-35 is imposed on the delivery of compressed natural gas or liquefied
 3-36 natural gas into the fuel supply tank of a motor vehicle by a fleet
 3-37 user or other dealer not in connection with a sale of the compressed
 3-38 natural gas or liquefied natural gas.

3-39 (b) The fleet user or other dealer is liable for the tax
 3-40 imposed under this section.

3-41 Sec. 162.353. TAX RATE; UNIT OF MEASUREMENT. (a) The rate
 3-42 of the tax under Sections 162.351 and 162.352 is 15 cents for each:

3-43 (1) gasoline gallon equivalent or fractional part of
 3-44 compressed natural gas or liquefied natural gas; or

3-45 (2) diesel gallon equivalent or fractional part of
 3-46 compressed natural gas or liquefied natural gas.

3-47 (b) The tax shall be imposed on an amount of compressed
 3-48 natural gas or liquefied natural gas equal to a:

3-49 (1) diesel gallon equivalent of compressed natural
 3-50 gas, as provided by Section 162.001(19-a)(A), if the natural gas
 3-51 dispenser lists the price in diesel gallon equivalents and the
 3-52 natural gas is supplied to the dispenser from a pipeline or other
 3-53 nonliquefied source;

3-54 (2) diesel gallon equivalent of liquefied natural gas,
 3-55 as provided by Section 162.001(19-a)(B), if the natural gas
 3-56 dispenser lists the price in diesel gallon equivalents and the
 3-57 natural gas is supplied to the dispenser from a liquefied source;

3-58 (3) gasoline gallon equivalent of compressed natural
 3-59 gas, as provided by Section 162.001(29-a)(A), if the natural gas
 3-60 dispenser lists the price in gasoline gallon equivalents and the
 3-61 natural gas is supplied to the dispenser from a pipeline or other
 3-62 nonliquefied source; or

3-63 (4) gasoline gallon equivalent of liquefied natural
 3-64 gas, as provided by Section 162.001(29-a)(B), if the natural gas
 3-65 dispenser lists the price in gasoline gallon equivalents and the
 3-66 natural gas is supplied to the dispenser from a liquefied source.

3-67 Sec. 162.354. BACKUP TAX; LIABILITY. (a) A backup tax is
 3-68 imposed at the rate prescribed by Section 162.353 on:

3-69 (1) a person who obtains a refund of tax on compressed

4-1 natural gas or liquefied natural gas by claiming the fuel was used
 4-2 for an exempt purpose, but actually uses the fuel for a taxable
 4-3 purpose;

4-4 (2) a person who operates a motor vehicle on a public
 4-5 highway using compressed natural gas or liquefied natural gas on
 4-6 which tax has not been paid;

4-7 (3) a person who sells compressed natural gas or
 4-8 liquefied natural gas that is delivered into the fuel supply tank of
 4-9 a motor vehicle, on which tax was not paid, and who knew or had
 4-10 reason to know that the fuel would be used for a taxable purpose;
 4-11 and

4-12 (4) a person who delivers into the fuel supply tank of
 4-13 a motor vehicle compressed natural gas or liquefied natural gas on
 4-14 which tax was not paid and who knew or had reason to know that the
 4-15 fuel would be used for a taxable purpose.

4-16 (b) If the person who operates a motor vehicle described by
 4-17 Subsection (a)(2) is not the owner or lessee of the motor vehicle,
 4-18 both the owner or lessee and the operator are liable for the tax.

4-19 (c) The tax imposed under Subsection (a)(3) is also imposed
 4-20 on the ultimate consumer.

4-21 (d) The tax imposed under Subsection (a)(4) is also imposed
 4-22 on the operator of the motor vehicle or the motor vehicle's owner or
 4-23 lessee.

4-24 (e) The tax liability imposed by this section is in addition
 4-25 to any penalty imposed under this chapter.

4-26 Sec. 162.355. FUEL PRESUMED SUBJECT TO TAX. (a) All
 4-27 compressed natural gas and liquefied natural gas sold by a dealer
 4-28 and delivered into the fuel supply tank of a motor vehicle is
 4-29 presumed to be subject to tax, and the dealer is liable for the tax
 4-30 under Section 162.351(b) and in accordance with Section 162.012
 4-31 unless the dealer maintains adequate records to establish that the
 4-32 fuel was exempt from tax under Section 162.356.

4-33 (b) All compressed natural gas and liquefied natural gas
 4-34 delivered into the fuel supply tank of a motor vehicle by a fleet
 4-35 user or other dealer not in connection with a sale is presumed to be
 4-36 subject to tax, and the fleet user or other dealer is liable for the
 4-37 tax under Section 162.352(b) and in accordance with Section 162.012
 4-38 unless the fleet user or other dealer maintains adequate records to
 4-39 establish that the fuel was exempt from tax under Section 162.356.

4-40 Sec. 162.356. EXEMPTIONS. The tax imposed by this
 4-41 subchapter does not apply to compressed natural gas or liquefied
 4-42 natural gas delivered into the fuel supply tank of:

4-43 (1) a motor vehicle operated exclusively by the United
 4-44 States, provided that the exemption does not apply with respect to
 4-45 fuel delivered into the fuel supply tank of a motor vehicle of a
 4-46 person operating under a contract with the United States;

4-47 (2) a motor vehicle operated exclusively by a public
 4-48 school district in this state;

4-49 (3) a motor vehicle operated exclusively by a
 4-50 commercial transportation company or a metropolitan rapid transit
 4-51 authority operating under Chapter 451, Transportation Code, that
 4-52 provides public school transportation services to a school district
 4-53 under Section 34.008, Education Code, and that uses the fuel only to
 4-54 provide those services;

4-55 (4) a motor vehicle operated exclusively by a
 4-56 volunteer fire department in this state;

4-57 (5) a motor vehicle operated exclusively by a county
 4-58 in this state;

4-59 (6) a motor vehicle operated exclusively by a
 4-60 nonprofit electric cooperative corporation organized under Chapter
 4-61 161, Utilities Code;

4-62 (7) a motor vehicle operated exclusively by a
 4-63 nonprofit telephone cooperative corporation organized under
 4-64 Chapter 162, Utilities Code;

4-65 (8) a motor vehicle that is not registered for use on
 4-66 the public highways of this state and that is used exclusively
 4-67 off-highway; or

4-68 (9) off-highway equipment, a stationary engine, a
 4-69 motorboat, an aircraft, equipment used solely for servicing

5-1 aircraft and used exclusively off-highway, a locomotive, or any
 5-2 device other than a motor vehicle operated or intended to be
 5-3 operated on the public highways.

5-4 Sec. 162.357. DEALER'S LICENSE. (a) A person may not sell
 5-5 compressed natural gas or liquefied natural gas that is delivered
 5-6 into the fuel supply tank of a motor vehicle and on which tax is
 5-7 imposed under Section 162.351 unless the person holds a compressed
 5-8 natural gas and liquefied natural gas dealer's license issued by
 5-9 the comptroller.

5-10 (b) A person may not deliver compressed natural gas or
 5-11 liquefied natural gas into the fuel supply tank of a motor vehicle
 5-12 not in connection with a sale and on which tax is imposed under
 5-13 Section 162.352, or otherwise conduct the activities of a fleet
 5-14 user, unless the person holds a compressed natural gas and
 5-15 liquefied natural gas dealer's license issued by the comptroller.

5-16 (c) A person may not conduct the activities of an aviation
 5-17 fuel dealer who delivers compressed natural gas or liquefied
 5-18 natural gas unless the person holds a compressed natural gas and
 5-19 liquefied natural gas dealer's license issued by the comptroller.

5-20 (d) A compressed natural gas and liquefied natural gas
 5-21 dealer's license is permanent and is valid during the period the
 5-22 license holder has in force and effect the required bond or security
 5-23 and furnishes timely reports and supplements as required, or until
 5-24 the license is surrendered by the license holder or canceled by the
 5-25 comptroller. The comptroller shall cancel a license under this
 5-26 subsection if the license holder has not reported a delivery of
 5-27 compressed natural gas or liquefied natural gas during the previous
 5-28 nine months.

5-29 (e) A compressed natural gas and liquefied natural gas
 5-30 dealer's license is not transferable.

5-31 Sec. 162.358. INTERSTATE TRUCKER'S LICENSE. (a) An
 5-32 interstate trucker's license authorizes a person who operates a
 5-33 motor vehicle described by Section 162.001(36) and fueled by
 5-34 compressed natural gas or liquefied natural gas to report and pay
 5-35 the tax and take a credit or claim a refund as provided by this
 5-36 subchapter.

5-37 (b) An interstate trucker's license is valid from the date
 5-38 of issuance until December 31 of each calendar year or until the
 5-39 license is surrendered by the license holder or canceled by the
 5-40 comptroller. The comptroller may renew an interstate trucker's
 5-41 license each calendar year if the license holder furnishes timely
 5-42 reports as required.

5-43 (c) An interstate trucker's license is not transferable.

5-44 Sec. 162.359. LICENSE APPLICATION PROCEDURE. An applicant
 5-45 for a license under this subchapter must file an application using a
 5-46 form adopted by the comptroller that contains:

5-47 (1) the name under which the applicant transacts or
 5-48 intends to transact business;

5-49 (2) the applicant's principal office, residence, or
 5-50 place of business in this state, or other location of the applicant;

5-51 (3) if the applicant is not an individual, the names of
 5-52 the principal officers of an applicant corporation, or the names of
 5-53 the members of an applicant partnership, and the office, street, or
 5-54 post office addresses of each; and

5-55 (4) other information required by the comptroller.

5-56 Sec. 162.360. ISSUANCE AND DISPLAY OF LICENSE. (a) If the
 5-57 comptroller approves a license application, the comptroller shall
 5-58 issue a license to the applicant. A license holder shall post the
 5-59 license in a conspicuous place or keep the license available for
 5-60 inspection at the license holder's principal place of business. A
 5-61 license holder shall keep a copy of the license at each place of
 5-62 business or other place of storage from which compressed natural
 5-63 gas or liquefied natural gas is sold or delivered.

5-64 (b) An interstate trucker's license holder shall reproduce
 5-65 the license and carry a photocopy with each motor vehicle being
 5-66 operated in or traveling to or from this state.

5-67 Sec. 162.361. BOND AND OTHER SECURITY FOR TAXES. (a) The
 5-68 comptroller shall determine the amount of security required of a
 5-69 dealer, taking into consideration the amount of tax that has or is

6-1 expected to become due from the person, any past history of the
6-2 person as a license holder under this chapter or its predecessor,
6-3 and the necessity to protect this state against the failure to pay
6-4 the tax as the tax becomes due.

6-5 (b) The comptroller may require a license holder to post a
6-6 bond if the comptroller determines it is necessary for the license
6-7 holder to post security to protect the revenues of this state. A
6-8 license holder must post a bond equal to two times the maximum
6-9 amount of tax that could accrue on compressed natural gas or
6-10 liquefied natural gas produced, purchased, acquired, sold, or
6-11 delivered during a reporting period. The minimum bond for a person
6-12 described by Section 162.357(a) is \$30,000. The comptroller shall
6-13 prescribe the minimum bond for a person described by Section
6-14 162.357(b) or (c) who is not described by Section 162.357(a). The
6-15 maximum bond is \$600,000 unless the comptroller believes there is
6-16 undue risk of loss of tax revenues, in which event the comptroller
6-17 may require one or more bonds or securities in a total amount
6-18 exceeding \$600,000.

6-19 (c) A license holder who has filed a bond or other security
6-20 under this subchapter is entitled, on request, to have the
6-21 comptroller return, refund, or release the bond or security if in
6-22 the judgment of the comptroller the person has for four consecutive
6-23 years continuously complied with the conditions of the bond or
6-24 other security filed under this subchapter. However, if the
6-25 comptroller determines that the revenues of this state would be
6-26 jeopardized by the return, refund, or release of the bond or
6-27 security, the comptroller may elect not to return, refund, or
6-28 release the bond or security and may reimpose a requirement of a
6-29 bond or other security as the comptroller determines necessary to
6-30 protect the revenues of this state.

6-31 (d) A bond must be a continuing instrument, must constitute
6-32 a new and separate obligation in the penal sum named in the bond for
6-33 each calendar year or portion of a year while the bond is in force,
6-34 and must remain in effect until the surety on the bond is released
6-35 and discharged.

6-36 (e) Instead of filing a surety bond, an applicant for a
6-37 license may substitute the following security:

6-38 (1) cash in the form of United States currency in an
6-39 amount equal to the required bond to be deposited in a suspense
6-40 account of the state treasury;

6-41 (2) an assignment to the comptroller of a certificate
6-42 of deposit in any bank or savings and loan association in this state
6-43 that is a member of the Federal Deposit Insurance Corporation in an
6-44 amount at least equal to the bond amount required; or

6-45 (3) an irrevocable letter of credit to the comptroller
6-46 from any bank or savings and loan association in this state that is
6-47 a member of the Federal Deposit Insurance Corporation in an amount
6-48 of credit at least equal to the bond amount required.

6-49 (f) If the amount of an existing bond becomes insufficient
6-50 or a security becomes unsatisfactory or unacceptable, the
6-51 comptroller may require the license holder to file a new or an
6-52 additional bond or security.

6-53 (g) A surety bond or other form of security may not be
6-54 released until the comptroller determines by examination or audit
6-55 that a tax, penalty, or interest liability does not exist. The
6-56 comptroller shall release the cash or securities not later than the
6-57 60th day after the date the comptroller determines that liability
6-58 does not exist.

6-59 (h) The comptroller may use the cash or certificate of
6-60 deposit security to satisfy a final determination of delinquent
6-61 liability or a judgment secured in any action by this state to
6-62 recover compressed natural gas or liquefied natural gas taxes,
6-63 costs, penalties, and interest found to be due to this state by a
6-64 person on whose behalf the cash or certificate of deposit security
6-65 was deposited.

6-66 (i) The comptroller shall release and discharge from
6-67 liability to this state a surety on a bond furnished by a license
6-68 holder on the 31st day after the date on which the surety files with
6-69 the comptroller a written request to be released and discharged.

7-1 The request does not relieve, release, or discharge the surety from
7-2 a liability that already accrued or that accrues before the
7-3 expiration of the 30-day period. The comptroller, promptly on
7-4 receipt of the request, shall notify the license holder who
7-5 furnished the bond, and unless the license holder, before the
7-6 expiration date of the existing security, files with the
7-7 comptroller a new bond with a surety company authorized to do
7-8 business under the laws of this state, or other authorized
7-9 security, in the amount required by this section, the comptroller
7-10 shall cancel the license in the manner provided by this chapter.

7-11 (j) The comptroller shall immediately notify the issuer of a
7-12 letter of credit of a final determination of the license holder's
7-13 delinquent liability or a judgment secured in any action by this
7-14 state to recover compressed natural gas or liquefied natural gas
7-15 taxes, costs, penalties, and interest found to be due this state by
7-16 a license holder on whose behalf the letter of credit was issued.
7-17 The letter of credit allowed as security under this section must
7-18 contain a statement that the issuer agrees to respond to the
7-19 comptroller's notice of liability with amounts to satisfy the
7-20 comptroller's delinquency claim against the license holder.

7-21 (k) A license holder may request an examination or audit to
7-22 obtain release of the security when the license holder relinquishes
7-23 the license or when the license holder wants to substitute one form
7-24 of security for an existing one.

7-25 Sec. 162.362. RETURNS AND PAYMENTS; ALLOWANCES. (a) A
7-26 licensed dealer, on or before the 25th day of the month following
7-27 the end of each calendar quarter, shall file a report and remit the
7-28 amount of tax due. A licensed dealer who has not made taxable
7-29 deliveries during the reporting period shall file with the
7-30 comptroller a report that includes those facts or that information.

7-31 (b) If a licensed dealer files a report and remits the tax
7-32 due on or before the due date under Subsection (a), one percent of
7-33 the tax due is allocated to the licensed dealer for the expense of
7-34 collecting, accounting for, reporting, and timely remitting the
7-35 taxes collected and for keeping the records. The licensed dealer
7-36 shall deduct the allocated amount from the tax due when paying the
7-37 tax to this state.

7-38 (c) A licensed interstate trucker, on or before the 25th day
7-39 of the month following the end of each calendar quarter, shall file
7-40 a report and remit the amount of tax due. A report shall be filed
7-41 with the comptroller on forms provided for that purpose and must
7-42 contain the number of miles traveled in this state, the number of
7-43 miles traveled outside this state, and other information required
7-44 by the comptroller. An interstate trucker who is required to file a
7-45 report under this section and who has not made interstate trips or
7-46 used compressed natural gas or liquefied natural gas in motor
7-47 vehicles in this state during the reporting period shall file with
7-48 the comptroller a report that includes those facts or that
7-49 information.

7-50 (d) If a licensed interstate trucker files a report and
7-51 remits the tax due on or before the due date under Subsection (c),
7-52 one-half of one percent of the tax paid on compressed natural gas
7-53 and liquefied natural gas used in this state by the interstate
7-54 trucker is allocated to the interstate trucker for the expense of
7-55 accounting for, reporting, and timely remitting the taxes due and
7-56 for keeping the records. The licensed interstate trucker shall
7-57 deduct the allocated amount from the tax due when paying the tax to
7-58 this state. If the allocated amount exceeds the amount of tax due,
7-59 the interstate trucker may file a refund claim with the
7-60 comptroller.

7-61 Sec. 162.363. RECORDS. (a) A dealer shall keep a record
7-62 showing:

7-63 (1) compressed natural gas and liquefied natural gas
7-64 inventories at the first of each month;

7-65 (2) the amount of natural gas compressed by the dealer
7-66 and the amount of natural gas liquefied by the dealer;

7-67 (3) all compressed natural gas and liquefied natural
7-68 gas purchased or received, showing the name of the seller and the
7-69 date of each purchase or receipt;

- 8-1 (4) all compressed natural gas and liquefied natural
8-2 gas sold and delivered into the fuel supply tank of a motor vehicle,
8-3 showing the date of the sale;
- 8-4 (5) all compressed natural gas and liquefied natural
8-5 gas sold but not delivered into the fuel supply tank of a motor
8-6 vehicle, showing the date of the sale;
- 8-7 (6) all compressed natural gas and liquefied natural
8-8 gas delivered into the fuel supply tank of a motor vehicle not in
8-9 connection with a sale, showing the date of the delivery;
- 8-10 (7) all compressed natural gas and liquefied natural
8-11 gas delivered into the fuel supply tank of a motor vehicle or other
8-12 equipment exempt from tax under Section 162.356 or sold to the
8-13 operator of a motor vehicle or owner of equipment exempt from tax
8-14 under Section 162.356, showing the name of the operator of the
8-15 vehicle or the owner of the equipment and the date of the delivery
8-16 or sale; and
- 8-17 (8) all compressed natural gas and liquefied natural
8-18 gas lost by fire, theft, or accident.
- 8-19 (b) An interstate trucker shall keep a record of:
- 8-20 (1) the total miles traveled in all states by all
8-21 vehicles traveling to or from this state and the total quantity of
8-22 compressed natural gas and liquefied natural gas consumed in those
8-23 vehicles; and
- 8-24 (2) the total miles traveled in this state and the
8-25 total quantity of compressed natural gas or liquefied natural gas
8-26 purchased and delivered into the fuel supply tanks of motor
8-27 vehicles in this state.
- 8-28 (c) The records required by this section must be kept until
8-29 the fourth anniversary of the date they are created and are open to
8-30 inspection at all times by the comptroller and the attorney
8-31 general.
- 8-32 (d) In addition to the records specifically required by this
8-33 subchapter, a license holder or a person required to hold a license
8-34 shall keep any other records required by the comptroller.
- 8-35 Sec. 162.364. DUTIES OF PERSONS HOLDING TAX PAYMENTS. (a)
8-36 A person who receives or collects tax under this subchapter holds
8-37 the amount received or collected in trust for the benefit of this
8-38 state and has a fiduciary duty to remit to the comptroller the
8-39 amount of tax received or collected.
- 8-40 (b) A dealer who receives a payment of tax under this
8-41 subchapter may not apply the payment of tax to a debt that the
8-42 person making the payment owes for compressed natural gas or
8-43 liquefied natural gas purchased from the dealer.
- 8-44 (c) A person required to receive or collect a tax under this
8-45 subchapter is liable for and shall pay the tax in the manner
8-46 provided by this subchapter.
- 8-47 Sec. 162.365. REFUND OR CREDIT FOR CERTAIN TAXES PAID.
- 8-48 (a) A license holder may take a credit on a return for the period
8-49 in which the purchase occurred, and a person who does not hold a
8-50 license under this subchapter may file a refund claim with the
8-51 comptroller if the license holder or person paid tax on compressed
8-52 natural gas or liquefied natural gas and the license holder or
8-53 person:
- 8-54 (1) is the United States government and the fuel was
8-55 delivered into the fuel supply tank of a motor vehicle operated
8-56 exclusively by the United States, provided that a credit or refund
8-57 is not allowed for fuel delivered into the fuel supply tank of a
8-58 motor vehicle operated by a person operating under a contract with
8-59 the United States;
- 8-60 (2) is a public school district in this state and the
8-61 fuel was delivered into the fuel supply tank of a motor vehicle
8-62 operated exclusively by the district;
- 8-63 (3) is a commercial transportation company that
8-64 provides public school transportation services to a school district
8-65 under Section 34.008, Education Code, and the fuel was delivered
8-66 into the fuel supply tank of a motor vehicle used to provide those
8-67 services;
- 8-68 (4) is a volunteer fire department in this state and
8-69 the fuel was delivered into the fuel supply tank of a motor vehicle

9-1 operated exclusively by the department;
9-2 (5) is a county in this state and the fuel was
9-3 delivered into the fuel supply tank of a motor vehicle operated
9-4 exclusively by the county;
9-5 (6) is a nonprofit electric cooperative corporation
9-6 organized under Chapter 161, Utilities Code, and the fuel was
9-7 delivered into the fuel supply tank of a motor vehicle operated
9-8 exclusively by the electric cooperative;
9-9 (7) is a nonprofit telephone cooperative corporation
9-10 organized under Chapter 162, Utilities Code, and the fuel was
9-11 delivered into the fuel supply tank of a motor vehicle operated
9-12 exclusively by the telephone cooperative;
9-13 (8) uses the fuel in off-highway equipment, in a
9-14 stationary engine, in a motorboat, in an aircraft, in equipment
9-15 used solely for servicing aircraft and used exclusively
9-16 off-highway, in a locomotive, or for other nonhighway purposes and
9-17 not in a motor vehicle operated or intended to be operated on the
9-18 public highways; or
9-19 (9) uses the fuel in a motor vehicle that is operated
9-20 exclusively off-highway, except for incidental travel on the public
9-21 highways as determined by the comptroller, provided that a credit
9-22 or refund may not be allowed for the portion used in the incidental
9-23 highway travel.
9-24 (b) A licensed interstate trucker may take a credit on a
9-25 return for the period in which the purchase occurred if the licensed
9-26 interstate trucker paid tax on compressed natural gas or liquefied
9-27 natural gas and uses the fuel outside this state in commercial
9-28 vehicles operated under an interstate trucker license, provided
9-29 that a credit taken under this subsection must be taken within the
9-30 limitation period provided by Section 162.369.
9-31 (c) A transit company that paid tax on the purchase of
9-32 compressed natural gas or liquefied natural gas may apply to the
9-33 comptroller for and obtain a refund in an amount equal to one cent
9-34 per gasoline gallon equivalent of compressed natural gas or diesel
9-35 gallon equivalent of liquefied natural gas used in transit
9-36 vehicles.
9-37 (d) The right to receive a refund or take a credit under this
9-38 section is not assignable.
9-39 (e) The comptroller may adopt rules specifying procedures
9-40 and requirements that must be followed to take a credit or receive a
9-41 refund under this section.
9-42 Sec. 162.366. CREDIT FOR BAD DEBT OR NONPAYMENT. (a) A
9-43 licensed dealer may take a credit on a return filed under this
9-44 subchapter if:
9-45 (1) the dealer paid the taxes imposed by this
9-46 subchapter on compressed natural gas or liquefied natural gas sold
9-47 on account;
9-48 (2) the dealer determines that the account is
9-49 uncollectible and worthless; and
9-50 (3) the account is written off as a bad debt on the
9-51 dealer's accounting books.
9-52 (b) The return on which the credit is taken must state, if
9-53 applicable, the name of the person whose account has been written
9-54 off as a bad debt or who failed to remit the tax and any other
9-55 information required by the comptroller. The amount of the credit
9-56 that may be taken under Subsection (a) may be equal to but may not
9-57 exceed the amount of taxes paid on the compressed natural gas or
9-58 liquefied natural gas to which the written-off account applies.
9-59 (c) If, after a credit is taken under Subsection (a), the
9-60 account on which the credit was based is paid, or if the comptroller
9-61 otherwise determines that the credit was not authorized by
9-62 Subsection (a), the dealer who took the credit shall pay the unpaid
9-63 taxes plus a penalty of 10 percent of the amount of the unpaid taxes
9-64 and interest at the rate provided by Section 111.060 beginning on
9-65 the day the report showing the credit was filed and ending on the
9-66 date the taxes and penalty are paid.
9-67 (d) This section does not apply to a sale of compressed
9-68 natural gas or liquefied natural gas for which payment is made
9-69 through the use and acceptance of a credit card.

10-1 (e) A credit under this section must be taken at the time the
 10-2 account is written off as a bad debt, but may only be taken before
 10-3 the expiration of the applicable limitation period as provided by
 10-4 Chapter 111.

10-5 (f) The comptroller may take action against a person in
 10-6 relation to whom a dealer has taken a credit for collection of the
 10-7 tax owed and for penalty and interest as provided by Chapter 111.

10-8 Sec. 162.367. CLAIMS FOR REFUNDS. (a) A refund claim must
 10-9 be filed on a form provided by the comptroller, be supported by the
 10-10 original invoice issued by the dealer, and contain:

10-11 (1) the stamped or preprinted name and address of the
 10-12 dealer;

10-13 (2) the name of the purchaser or person who received
 10-14 the delivery of fuel;

10-15 (3) the date of delivery of the fuel;

10-16 (4) the date the invoice was issued, if different from
 10-17 the date of fuel delivery;

10-18 (5) the number of gasoline gallon equivalents of
 10-19 compressed natural gas or diesel gallon equivalents of liquefied
 10-20 natural gas delivered;

10-21 (6) the rate and amount of tax, separately stated from
 10-22 the selling price; and

10-23 (7) the type of vehicle or equipment into which the
 10-24 fuel is delivered.

10-25 (b) The purchaser or person who received the delivery of
 10-26 compressed natural gas or liquefied natural gas must obtain the
 10-27 original invoice from the dealer not later than the 30th day after
 10-28 the date the fuel is delivered. If the purchase or delivery of fuel
 10-29 is made through an automated method in which the purchase or
 10-30 delivery is automatically applied to the purchaser or recipient's
 10-31 account, one invoice may be issued at the time of billing that
 10-32 covers multiple purchases or deliveries made during a 30-day
 10-33 billing cycle.

10-34 (c) The comptroller shall pay a refund by warrant to a
 10-35 person who files a valid refund claim.

10-36 (d) A person who files a claim for a tax refund on compressed
 10-37 natural gas or liquefied natural gas used for a purpose for which a
 10-38 tax refund is not authorized or who files an invoice supporting a
 10-39 refund claim on which the date, figures, or any material
 10-40 information has been falsified or altered forfeits the person's
 10-41 right to the entire amount of the refund claim filed unless the
 10-42 claimant provides proof satisfactory to the comptroller that the
 10-43 incorrect refund claim filed was due to a clerical or mathematical
 10-44 calculation error.

10-45 (e) After examining the refund claim and before issuing a
 10-46 refund warrant, the comptroller shall deduct from the amount of the
 10-47 refund the one percent originally deducted by the dealer under
 10-48 Section 162.362(b).

10-49 Sec. 162.368. REFUND FOR CERTAIN METROPOLITAN RAPID TRANSIT
 10-50 AUTHORITIES. (a) Except as otherwise provided by this section, a
 10-51 metropolitan rapid transit authority operating under Chapter 451,
 10-52 Transportation Code, that is a party to a contract governed by
 10-53 Section 34.008, Education Code, is entitled to a refund of taxes
 10-54 paid under this subchapter for compressed natural gas or liquefied
 10-55 natural gas delivered into the fuel supply tank of a motor vehicle
 10-56 used to provide services under the contract and may file a refund
 10-57 claim with the comptroller for the amount of those taxes.

10-58 (b) The refund claim under Subsection (a) must contain
 10-59 information regarding:

10-60 (1) vehicle mileage;

10-61 (2) hours of service provided;

10-62 (3) fuel consumed;

10-63 (4) the total number of student passengers per route;

10-64 and

10-65 (5) the total number of non-student passengers per
 10-66 route.

10-67 (c) If in any month of a school year the number of
 10-68 non-student passengers is greater than five percent of the total
 10-69 passengers for any single route under a contract governed by

11-1 Section 34.008, Education Code, the metropolitan rapid transit
 11-2 authority is not entitled to a refund of taxes paid under this
 11-3 subchapter for the route for that month.

11-4 (d) A metropolitan rapid transit authority that requests a
 11-5 refund under this section shall maintain all supporting
 11-6 documentation relating to the refund until the sixth anniversary of
 11-7 the date of the request.

11-8 Sec. 162.369. WHEN COMPRESSED NATURAL GAS OR LIQUEFIED
 11-9 NATURAL GAS TAX REFUND OR CREDIT MAY BE FILED. (a) Except as
 11-10 otherwise provided by this section, a claim for a refund must be
 11-11 filed with the comptroller before the first anniversary of the
 11-12 first day of the calendar month following the purchase, use, or
 11-13 delivery of compressed natural gas or liquefied natural gas,
 11-14 whichever period expires latest.

11-15 (b) If the amount of credit that a licensed interstate
 11-16 trucker is entitled to take under Section 162.365(b) exceeds the
 11-17 amount of tax due on that reporting period, the excess credit amount
 11-18 may be claimed on any of three successive quarterly returns
 11-19 following the period in which the credit was established, or the
 11-20 licensed interstate trucker may seek a refund from the comptroller
 11-21 on or before the due date of the third successive quarterly return
 11-22 following the period in which the credit was established. A credit
 11-23 that is not claimed within the period prescribed by this subsection
 11-24 expires.

11-25 (c) If the comptroller assesses a dealer for a tax-free sale
 11-26 that is taxable, and the dealer subsequently collects the tax from
 11-27 the purchaser, the purchaser may file a refund claim before the
 11-28 first anniversary of the date the dealer's deficiency assessment
 11-29 becomes final if the purchaser used the fuel in an exempt manner.

11-30 (d) A dealer who determines taxes were erroneously reported
 11-31 and remitted or who paid more taxes than were due because of a
 11-32 mistake of fact or law may take a credit on the quarterly tax report
 11-33 on which the error occurred and the tax payment was made to the
 11-34 comptroller. The credit must be taken before the expiration of the
 11-35 applicable period of limitation as provided by Chapter 111.

11-36 SECTION 5. Subchapter F, Chapter 162, Tax Code, is amended
 11-37 by adding Section 162.506 to read as follows:

11-38 Sec. 162.506. ALLOCATION OF COMPRESSED NATURAL GAS AND
 11-39 LIQUEFIED NATURAL GAS TAX. On or before the fifth workday after the
 11-40 end of each month, the comptroller, after making deductions for
 11-41 refund purposes and for the administration and enforcement of this
 11-42 chapter, shall allocate the remainder of the taxes collected under
 11-43 Subchapter D-1 as follows:

11-44 (1) one-fourth of the taxes shall be deposited to the
 11-45 credit of the available school fund; and

11-46 (2) three-fourths of the taxes shall be deposited to
 11-47 the credit of the state highway fund.

11-48 SECTION 6. Section 162.402(a), Tax Code, is amended to read
 11-49 as follows:

11-50 (a) A person forfeits to the state a civil penalty of not
 11-51 less than \$25 and not more than \$200 if the person:

11-52 (1) refuses to stop and permit the inspection and
 11-53 examination of a motor vehicle transporting or using motor fuel on
 11-54 demand of a peace officer or the comptroller;

11-55 (2) operates a motor vehicle in this state without a
 11-56 valid interstate trucker's license or a trip permit when the person
 11-57 is required to hold one of those licenses or permits;

11-58 (3) operates a liquefied gas-propelled motor vehicle
 11-59 that is required to be licensed in this state, including motor
 11-60 vehicles equipped with dual carburetion, and does not display a
 11-61 current liquefied gas tax decal or multistate fuels tax agreement
 11-62 decal;

11-63 (4) makes a tax-free sale or delivery of liquefied gas
 11-64 into the fuel supply tank of a motor vehicle that does not display a
 11-65 current Texas liquefied gas tax decal;

11-66 (5) makes a taxable sale or delivery of liquefied gas
 11-67 without holding a valid dealer's license;

11-68 (6) makes a tax-free sale or delivery of liquefied gas
 11-69 into the fuel supply tank of a motor vehicle bearing out-of-state

- 12-1 license plates;
- 12-2 (7) makes a delivery of liquefied gas into the fuel
- 12-3 supply tank of a motor vehicle bearing Texas license plates and no
- 12-4 Texas liquefied gas tax decal, unless licensed under a multistate
- 12-5 fuels tax agreement;
- 12-6 (8) transports gasoline or diesel fuel in any cargo
- 12-7 tank that has a connection by pipe, tube, valve, or otherwise with
- 12-8 the fuel injector or carburetor of, or with the fuel supply tank
- 12-9 feeding the fuel injector or carburetor of, the motor vehicle
- 12-10 transporting the product;
- 12-11 (9) sells or delivers gasoline or diesel fuel from any
- 12-12 fuel supply tank connected with the fuel injector or carburetor of a
- 12-13 motor vehicle;
- 12-14 (10) owns or operates a motor vehicle for which
- 12-15 reports or mileage records are required by this chapter without an
- 12-16 operating odometer or other device in good working condition to
- 12-17 record accurately the miles traveled;
- 12-18 (11) furnishes to a licensed supplier or distributor a
- 12-19 signed statement for purchasing diesel fuel tax-free and then uses
- 12-20 the tax-free diesel fuel to operate a diesel-powered motor vehicle
- 12-21 on a public highway;
- 12-22 (12) fails or refuses to comply with or violates a
- 12-23 provision of this chapter;
- 12-24 (13) fails or refuses to comply with or violates a
- 12-25 comptroller's rule for administering or enforcing this chapter;
- 12-26 (14) is an importer who does not obtain an import
- 12-27 verification number when required by this chapter; [~~or~~]
- 12-28 (15) purchases motor fuel for export, on which the tax
- 12-29 imposed by this chapter has not been paid, and subsequently diverts
- 12-30 or causes the motor fuel to be diverted to a destination in this
- 12-31 state or any other state or country other than the originally
- 12-32 designated state or country without first obtaining a diversion
- 12-33 number;
- 12-34 (16) delivers compressed natural gas or liquefied
- 12-35 natural gas into the fuel supply tank of a motor vehicle and the
- 12-36 person does not hold a valid compressed natural gas and liquefied
- 12-37 natural gas dealer's license; or
- 12-38 (17) makes a tax-free delivery of compressed natural
- 12-39 gas or liquefied natural gas into the fuel supply tank of a motor
- 12-40 vehicle, unless the delivery is exempt from tax under Section
- 12-41 162.356.
- 12-42 SECTION 7. Section 162.403, Tax Code, is amended to read as
- 12-43 follows:
- 12-44 Sec. 162.403. CRIMINAL OFFENSES. Except as provided by
- 12-45 Section 162.404, a person commits an offense if the person:
- 12-46 (1) refuses to stop and permit the inspection and
- 12-47 examination of a motor vehicle transporting or using motor fuel on
- 12-48 the demand of a peace officer or the comptroller;
- 12-49 (2) is required to hold a valid trip permit or
- 12-50 interstate trucker's license, but operates a motor vehicle in this
- 12-51 state without a valid trip permit or interstate trucker's license;
- 12-52 (3) operates a liquefied gas-propelled motor vehicle
- 12-53 that is required to be licensed in this state, including a motor
- 12-54 vehicle equipped with dual carburetion, and does not display a
- 12-55 current liquefied gas tax decal or multistate fuels tax agreement
- 12-56 decal;
- 12-57 (4) transports gasoline or diesel fuel in any cargo
- 12-58 tank that has a connection by pipe, tube, valve, or otherwise with
- 12-59 the fuel injector or carburetor or with the fuel supply tank feeding
- 12-60 the fuel injector or carburetor of the motor vehicle transporting
- 12-61 the product;
- 12-62 (5) sells or delivers gasoline or diesel fuel from a
- 12-63 fuel supply tank that is connected with the fuel injector or
- 12-64 carburetor of a motor vehicle;
- 12-65 (6) owns or operates a motor vehicle for which reports
- 12-66 or mileage records are required by this chapter without an
- 12-67 operating odometer or other device in good working condition to
- 12-68 record accurately the miles traveled;
- 12-69 (7) sells or delivers dyed diesel fuel for the

13-1 operation of a motor vehicle on a public highway;

13-2 (8) uses dyed diesel fuel for the operation of a motor

13-3 vehicle on a public highway except as allowed under Section

13-4 162.235;

13-5 (9) makes a tax-free sale or delivery of liquefied gas

13-6 into the fuel supply tank of a motor vehicle that does not display a

13-7 current Texas liquefied gas tax decal;

13-8 (10) makes a sale or delivery of liquefied gas on which

13-9 the person knows the tax is required to be collected, if at the time

13-10 the sale is made the person does not hold a valid dealer's license;

13-11 (11) makes a tax-free sale or delivery of liquefied

13-12 gas into the fuel supply tank of a motor vehicle bearing

13-13 out-of-state license plates;

13-14 (12) makes a delivery of liquefied gas into the fuel

13-15 supply tank of a motor vehicle bearing Texas license plates and no

13-16 Texas liquefied gas tax decal, unless licensed under a multistate

13-17 fuels tax agreement;

13-18 (13) refuses to permit the comptroller or the attorney

13-19 general to inspect, examine, or audit a book or record required to

13-20 be kept by a license holder, other user, or any person required to

13-21 hold a license under this chapter;

13-22 (14) refuses to permit the comptroller or the attorney

13-23 general to inspect or examine any plant, equipment, materials, or

13-24 premises where motor fuel is produced, processed, blended, stored,

13-25 sold, delivered, or used;

13-26 (15) refuses to permit the comptroller, the attorney

13-27 general, an employee of either of those officials, a peace officer,

13-28 an employee of the Texas Commission on Environmental Quality, or an

13-29 employee of the Department of Agriculture to measure or gauge the

13-30 contents of or take samples from a storage tank or container on

13-31 premises where motor fuel is produced, processed, blended, stored,

13-32 sold, delivered, or used;

13-33 (16) is a license holder, a person required to be

13-34 licensed, or another user and fails or refuses to make or deliver to

13-35 the comptroller a report required by this chapter to be made and

13-36 delivered to the comptroller;

13-37 (17) is an importer who does not obtain an import

13-38 verification number when required by this chapter;

13-39 (18) purchases motor fuel for export, on which the tax

13-40 imposed by this chapter has not been paid, and subsequently diverts

13-41 or causes the motor fuel to be diverted to a destination in this

13-42 state or any other state or country other than the originally

13-43 designated state or country without first obtaining a diversion

13-44 number;

13-45 (19) conceals motor fuel with the intent of engaging

13-46 in any conduct proscribed by this chapter or refuses to make sales

13-47 of motor fuel on the volume-corrected basis prescribed by this

13-48 chapter;

13-49 (20) refuses, while transporting motor fuel, to stop

13-50 the motor vehicle the person is operating when called on to do so by

13-51 a person authorized to stop the motor vehicle;

13-52 (21) refuses to surrender a motor vehicle and cargo

13-53 for impoundment after being ordered to do so by a person authorized

13-54 to impound the motor vehicle and cargo;

13-55 (22) mutilates, destroys, or secretes a book or record

13-56 required by this chapter to be kept by a license holder, other user,

13-57 or person required to hold a license under this chapter;

13-58 (23) is a license holder, other user, or other person

13-59 required to hold a license under this chapter, or the agent or

13-60 employee of one of those persons, and makes a false entry or fails

13-61 to make an entry in the books and records required under this

13-62 chapter to be made by the person or fails to retain a document as

13-63 required by this chapter;

13-64 (24) transports in any manner motor fuel under a false

13-65 cargo manifest or shipping document, or transports in any manner

13-66 motor fuel to a location without delivering at the same time a

13-67 shipping document relating to that shipment;

13-68 (25) engages in a motor fuel transaction that requires

13-69 that the person have a license under this chapter without then and

14-1 there holding the required license;

14-2 (26) makes and delivers to the comptroller a report
14-3 required under this chapter to be made and delivered to the
14-4 comptroller, if the report contains false information;

14-5 (27) forges, falsifies, or alters an invoice or
14-6 shipping document prescribed by law;

14-7 (28) makes any statement, knowing said statement to be
14-8 false, in a claim for a tax refund filed with the comptroller;

14-9 (29) furnishes to a licensed supplier or distributor a
14-10 signed statement for purchasing diesel fuel tax-free and then uses
14-11 the tax-free diesel fuel to operate a diesel-powered motor vehicle
14-12 on a public highway;

14-13 (30) holds an aviation fuel dealer's license and makes
14-14 a taxable sale or use of any gasoline or diesel fuel;

14-15 (31) fails to remit any tax funds collected or
14-16 required to be collected by a license holder, another user, or any
14-17 other person required to hold a license under this chapter;

14-18 (32) makes a sale of dyed diesel fuel tax-free into a
14-19 storage facility of a person who:

14-20 (A) is not licensed as a distributor, as an
14-21 aviation fuel dealer, or as a dyed diesel fuel bonded user; or

14-22 (B) does not furnish to the licensed supplier or
14-23 distributor a signed statement prescribed in Section 162.206;

14-24 (33) makes a sale of gasoline tax-free to any person
14-25 who is not licensed as an aviation fuel dealer;

14-26 (34) purchases any motor fuel tax-free when not
14-27 authorized to make a tax-free purchase under this chapter;

14-28 (35) purchases motor fuel with the intent to evade any
14-29 tax imposed by this chapter or accepts a delivery of motor fuel by
14-30 any means and does not at the same time accept or receive a shipping
14-31 document relating to the delivery;

14-32 (36) transports motor fuel for which a cargo manifest
14-33 or shipping document is required to be carried without possessing
14-34 or exhibiting on demand by an officer authorized to make the demand
14-35 a cargo manifest or shipping document containing the information
14-36 required to be shown on the manifest or shipping document;

14-37 (37) imports, sells, uses, blends, distributes, or
14-38 stores motor fuel within this state on which the taxes imposed by
14-39 this chapter are owed but have not been first paid to or reported by
14-40 a license holder, another user, or any other person required to hold
14-41 a license under this chapter;

14-42 (38) blends products together to produce a blended
14-43 fuel that is offered for sale, sold, or used and that expands the
14-44 volume of the original product to evade paying applicable motor
14-45 fuel taxes; [~~or~~]

14-46 (39) evades or attempts to evade in any manner a tax
14-47 imposed on motor fuel by this chapter;

14-48 (40) delivers compressed natural gas or liquefied
14-49 natural gas into the fuel supply tank of a motor vehicle and the
14-50 person does not hold a valid compressed natural gas and liquefied
14-51 natural gas dealer's license; or

14-52 (41) makes a tax-free delivery of compressed natural
14-53 gas or liquefied natural gas into the fuel supply tank of a motor
14-54 vehicle, unless the delivery is exempt from tax under Section
14-55 162.356.

14-56 SECTION 8. Section 162.405(b), Tax Code, is amended to read
14-57 as follows:

14-58 (b) An offense under Section 162.403(9), (10), (11), (12),
14-59 (13), (14), (15), (16), (17), [~~or~~] (18), (40), or (41) is a Class B
14-60 misdemeanor.

14-61 SECTION 9. As soon as practicable before, on, or after the
14-62 effective date of this Act, the comptroller of public accounts
14-63 shall:

14-64 (1) adopt any rules necessary to implement the changes
14-65 in law made by this Act; and

14-66 (2) begin accepting applications for and issuing
14-67 compressed natural gas and liquefied natural gas dealer's licenses
14-68 and interstate trucker's licenses under Sections 162.357 and
14-69 162.358, Tax Code, as added by this Act, that become effective on or

15-1 after the effective date of this Act.

15-2 SECTION 10. A person who holds a liquefied gas tax decal
15-3 license under Section 162.305, Tax Code, that is valid on or after
15-4 the effective date of this Act, for a vehicle fueled by compressed
15-5 natural gas or liquefied natural gas may, not later than December
15-6 31, 2013, apply to the comptroller of public accounts for and obtain
15-7 a pro rata refund of the unused portion of the advanced taxes paid
15-8 for the period after the effective date of this Act. The comptroller
15-9 shall provide application forms for refunds under this section.

15-10 SECTION 11. The changes in law made by this Act do not
15-11 affect tax liability accruing before the effective date of this
15-12 Act. That liability continues in effect as if this Act had not been
15-13 enacted, and the former law is continued in effect for the
15-14 collection of taxes due and for civil and criminal enforcement of
15-15 the liability for those taxes.

15-16 SECTION 12. This Act takes effect September 1, 2013.

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